THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) and (c). According to a survey conducted by the Political and Economic Risk Consultancy Limited as reported in Stateman dated May 22, 1996, India ranked 10th in financial system with the rating of 6.29 while it ranked 9th with a rating of 6.93 in physical infrastructure. According to this survey report published in Statesman, Vietnam was found to have the most deficient financial sector followed by China, India and the Philippines.

Indian Financial System is currently undergoing a process of reform as a part of the broader reform programme initiated in 1991-92. The results of the implementation of various reform measures have so far been encouraging. As at the end of March, 1995, 13 out of 27 public sector banks attained the minimum capital adequacy ratio of 8%, 11 between 4% and 8% and the remaining 3 banks less than 4%. Besides, the positive trend of reduction in the number of public sector banks reporting operating losses from 9 to 6 during 1993-94 was further confirmed in a significant turn around of the public sector banks during 1994-95 with a net profit of Rs. 1116 crore as against a net loss of Rs. 4349 crore in 1993-94. Alongside there has been a drop in non-performing assets of the public sector banks from about 24% of their loan portfolio in 1992-93 and 1993-94 to a little below 20% in 1994-95. Besides, the first phase of deregulation of interest rate has been successfully carried out.

Industrially Backward Areas

430 SHRI T. SUBBARAMI REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether a study conducted for monitoring Indian economy have suggested that norms adopted by the Union Government for classifying districts as industrially backward be revised;

(b) if so, the main features thereof;

(c) whether the Government have examined the said report, and

(d) if so, the details thereof and the time by which the recommendations of the said report are likely to be implemented?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No such Study has been conducted at the behest of the Ministry of Industry.

(b) to (d) Do not arise.

Foreign Banks

431 SHRI S.D.N.R. WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) the details of foreign banks country-wise operating in India;

(b) the places where these banks have set up their branches, and

(c) the extent to which these banks are helping in the expansion of trade and industry in the country?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) Details of foreign banks operating in India country-wise and places where they have set up their branches as reported by RBI are given in the attached statement.

(c) The market share of foreign banks in branch network aggregate deposits and advances (excluding inter bank deposits and advances) of all scheduled commercial banks as on 31 March 1994 and 31 March 1995 were as under:

(Rs. in crore)

	Branches as on		Aggregate Deposits As on last reporting		Bank Credit Fridays of	
	31.3.94	31.3.95	1993-94	1994-95	1993-94	1994-95
All Sch. Commercial Banks	61630	62100	3,15,132	3,86,859	1,64,418	2,11,560
Foreign Banks	146	151	24,886	27,641	10,964	15,471
Share of Foreign Banks (%)	0.24	0.24	7.90	7.14	6.67	7.31